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GAIN Report

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Thailand

Post: Bangkok

Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:

TH9154 Domestic and export prices declined by 1-2 percent. Exporters were hesitant to conclude deals due to a volatile domestic market, as the government transitions from a conventional mortgage scheme policy to a price insurance scheme policy.

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Oct. 12, 2009

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	995	-	1,000	-	1,000	965	-	990	990
WR 100 B	490	-	520	-	520	520	510	512	522
PB 5%	550	-	580	-	580	565	550	565	578
WR 5%	475	-	500	-	500	495	480	490	497
WR 10%	465	-	-	-	490	485	-	480	488
WR 15%	430	-	-	-	-	470	-	450	460
WR 25%	400	-	-	-	-	415	-	408	415
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	280	-	300	-	300	300	-	295	299
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.20 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices declined by 1-2 percent. Exporters were hesitant to conclude deals due to a volatile domestic market, as the government transitions from a conventional mortgage scheme policy to a price insurance scheme policy. The price insurance scheme was officially implemented on Oct. 1, 2009, but has been controversial particularly for white rice farmers. They claim that benchmark prices are higher than actual market prices and complain of the markdown on prices due to grain moisture content. Farmers assert that due to these factors, they will not have a guaranteed income of 10,000 baht/ton of paddy (\$301/MT) that the government has set as a goal. Moreover, farmers are claiming that if the insurance scheme does not reflect prices in a timely manner, it could have deeper impacts on them as farm-gate prices trend downward as the new crop (MY2009/10) comes into the market. However, the government is committed to carrying out this program as is, and will start outreach efforts toward farmers in order to dispel doubts about the program.

Table: Price Insurance Scheme for MY2009/2010 crops

Commodity	Eligible tonnage ^{1/} (Ton/household)	Insured Price ^{1/} (Baht/Ton)	Benchmarked Price (Oct. 1-15) ^{2/} (Baht/Ton)	Compensation (Oct. 1-15) ^{2/} (Baht/ton)
Rice paddy				
- Fragrant rice	14	15,300	14,986	314
- Provential fragrant rice	16	14,300	13,899	401
- Glutinous rice	16	9,500	7,523	1,977
- White rice	25	10,000	8,806	1,194

Note: 1/ Cabinet approval on Sep. 22, 2009

2/ Announced on Oct. 9, 2009 based on weighted average wholesale prices in Bangkok from Sep. 16-30.

The benchmark prices will be published twice a month on the 1st and 16th. These prices are set by the Subcommittee on Benchmark Price Determination. The Subcommittee is chaired by the Permanent Secretary of the Ministry of Commerce and includes officials from the Thai Rice Farmers Association, Rice Millers Association, Thai Rice Exporters Association, Thai Rice Traders Association, Department of Internal Trade, Department of Foreign Trade, Office of Agricultural Economics, Department of Rice, and the Bank for Agriculture and Agricultural Cooperatives.

On the export front, exporters remain optimistic on a pick-up in demand at the end of the year, following the impact of typhoons on rice crops in the Philippines and Vietnam.

Rice Export Update

Unofficial exports (excluding fragrant rice) for Oct. 5-11, 2009 totaled 108,202 tons, up 12,052 tons from the previous week, and down 7,580 tons from the four-week moving average of 115,782 tons. Exports of white rice during Jan. 1 – Oct. 11, 2009 totaled 4,668,601 tons, as compared with 6,562,797 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Oct. 2, 2009 amounted to 6,560,645 tons, down 22.0 percent from 8,408,181 tons in the previous year.

Table 2: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Jul 26	99,059	109,042	3,361	5,198	-35.3
Aug 2	111,845	106,826	3,473	5,300	-34.5
Aug 9	114,776	113,679	3,587	5,421	-33.8
Aug 16	112,267	109,487	3,700	5,547	-33.3
Aug 23	126,240	116,282	3,826	5,693	-32.8
Aug 30	139,731	123,253	3,966	5,851	-32.2
Sep 6	105,702	120,985	4,071	5,988	-32.0
Sep 13	134,061	126,434	4,205	6,118	-31.3
Sep 20	142,128	130,406	4,348	6,246	-30.4
Sep 27	116,648	124,635	4,464	6,383	-30.1
Oct 4	96,150	122,247	4,560	6,468	-29.5
Oct 11	108,202	115,782	4,669	6,536	-28.5

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Source: Board of Trade of Thailand

Table 3: Weekly private registered rice export sales

Movement (MT)	Sep. 21-25	Sep. 28 - Oct. 2	Oct. 5-9
Weekly sales	76,689	65,936	83,539
4 week sum	493,246	425,887	329,657
4 week mov. avg.	123,312	106,472	82,414
Total weekly sales	4,849,535	4,915,471	4,999,010

End of report